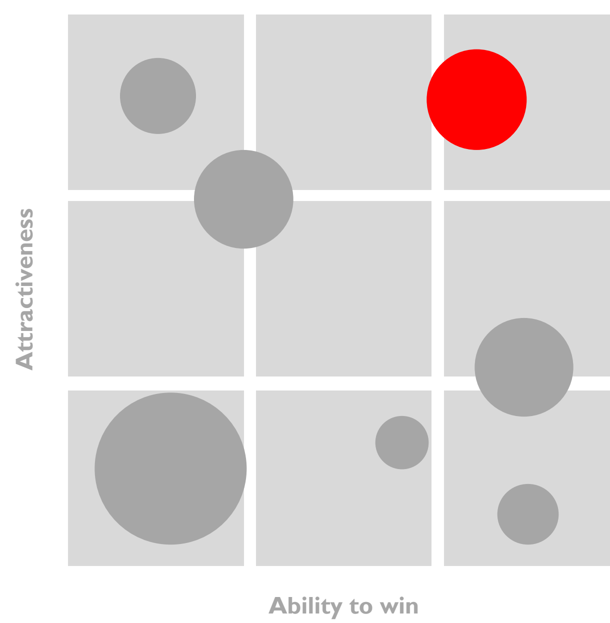
The brand strategists' toolkit #23

The nine-box matrix



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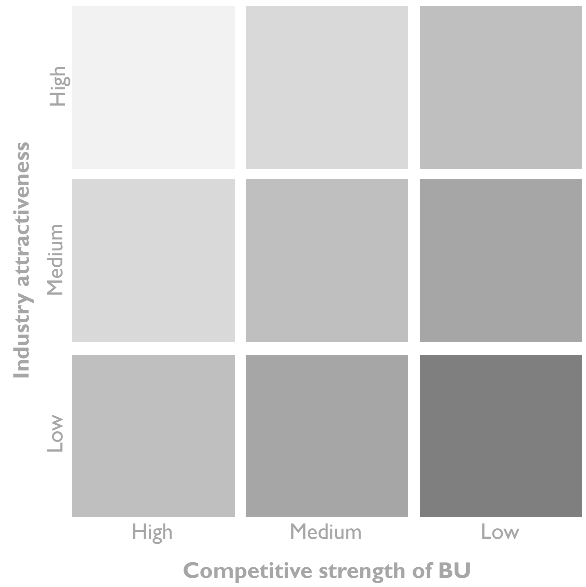
Fans of rock mockumentary 'This is Spinal Tap' will appreciate that while the volume settings on most amps go up to ten, if you really need that extra 'push over the cliff', then you need an amp that goes up to eleven. In the immortal words of guitarist Nigel Tufnel:

"Well it's one louder, isn't it?'

The notion of being one louder was intended to parody the excess and one-upmanship of Seventies and Early Eighties rock icons, but it could justly be applied to another group notorious for its strutting, preening approach to life: management consultants.

Although the trusty two-by-two matrix has existed for around a century, its apogee came in the form of Boston Consulting Group's 'Growth Share Matrix', which was created by BCG founder Bruce Henderson in 1970 (the same year that Aerosmith and Queen both formed). The BCG matrix is a portfolio management framework that helps businesses prioritise business units based on their market share and growth:

It's always seemed a little odd to me that the horizontal axis runs from 'high' to low' as you move from left to right. Perhaps it's a management consultant in-joke. Whatever the reason, not to be outdone, McKinsey swiftly countered with a matrix of their own. And like Nigel Tufnel's amp, McKinsey's matrix is one louder. After all, why settle for a two-by-two matrix when you can have a three-by-three matrix:



I've seen both types of matrix in use, generally as marketing planning tools rather than brand strategy tools. Brand strategists seem to favour two-by-two matrices, presumably for their simplicity, but I have a soft spot for nine-box matrices. This is partly down to snobbery: two-by-two matrices are ubiquitous in brand consultancy and consequently feel a bit naff and clichéd. In comparison, nine-box matrices are rarer and more exotic.

They suggest a greater sense of nuance.

And they are one louder.

There are also practical reasons for preferring a nine-box matrix: two-by-two matrices reduce the world to a simple choice between two sets of extremes. A nine-box matrix at least allows for the possibility of a middle ground. If the two-by-two matrix is the mallet in a brand strategist's toolbox, then the nine-box matrix is its hammer: both can be used to drive home a point, but the latter is helpful for a broader set of applications. Nine-box matrices add a layer of nuance to brand positioning maps, but they are also more helpful when it comes to portfolio mapping and activity planning.

Brand positioning

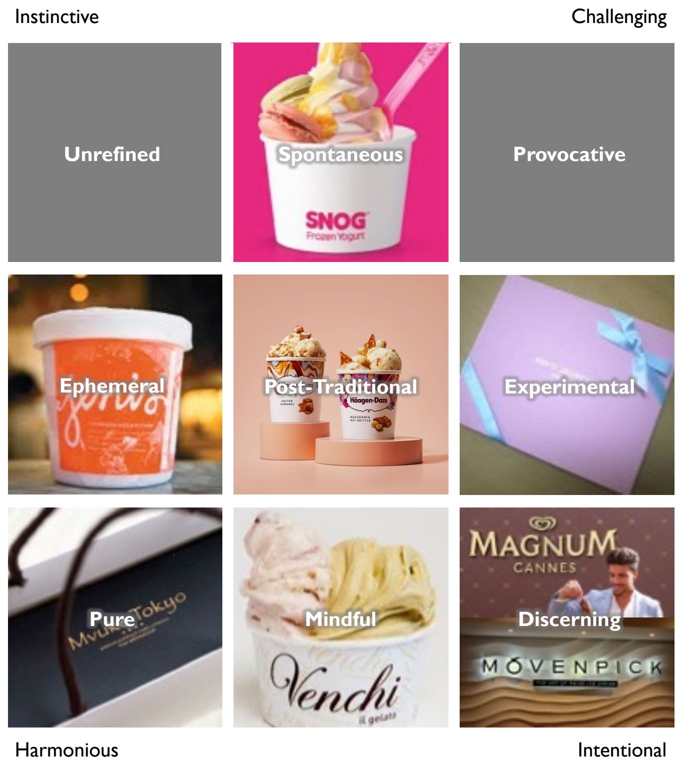
When it comes to mapping brands on a space, I'm a big fan of architect Peter Marino's advice for the people who work for him:

'Try to go around the middle: go above or below. People who are massively insecure want to be in the middle. It makes them feel safe. It doesn't make me feel safe. I can't breathe.'

The middle of a market is usually a space I try to avoid like the plague: it's generally crowded and filled with category clichés. Not everyone agrees. Many clients (particularly those in FMCG businesses) take the opposite view: that buyers in a market will gravitate to the centre as much as brands will. Actually, this is generally true. But for reasons I've written about elsewhere, this type of behaviour results in excessively samey brands, and society is worse-off as a result (particularly people who deviate from the 'average'). Great brands offer something different to what's already out there.

This is one of the reasons I prefer a nine-box matrix: at its centre is a handy little box in which to place all those generic brands that cling to the (false) security of the middle ground. This is usually my starting point for mapping brands based on their positioning: which are the brands that seem to have avoided making any clear statements of belief whatsoever? And what are the visual and verbal clichés that they tend to rely on in the absence of a defining ambition? These brands exist in most mature categories and compiling a list of the ideas, jargon, phrases, colours, fonts, images and devices they most commonly trot out is a good way to keep you honest and make sure the positioning you're developing isn't just a lazy rehash of category conventions.

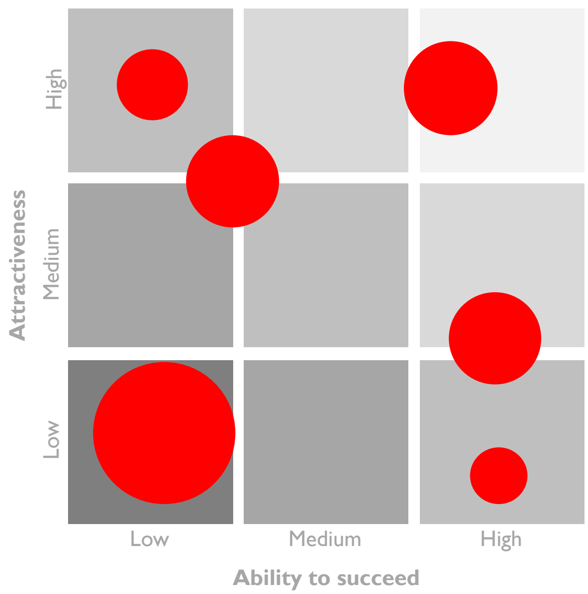
Once you eliminate the middle box, you're still left with eight possible spaces in which to position a brand. In my experience, that's much more useful than the four spaces a two-by-two matrix serves up. It improves the likelihood you'll find white space, and it forces you to think about at least eight different ways you might be able to challenge category convention. Here's an example from a long time ago, when I was looking at the premium ice cream category:



Häagen-Dazs or Magnum might be the definitive brands in this category, but a little digging revealed a plethora of interesting emergent brands that were stretching the category in new directions. There also seemed to be some little bits of white space at the time: there was no ice cream equivalent to Brewdog or Lush Cosmetics (these are gaps I can only assume have been filled over the intervening decade or so since I looked at this). To my mind, a two-by-two matrix would have been too blunt a tool to pull the brands in this category apart. I found the nine-box approach much more helpful, as well as much more enjoyable to develop and present.

Brand portfolio strategy

This is where the nine-box matrix really comes into its own. McKinsey's original matrix doesn't require much tweaking to be useful for planning brand portfolios: brands, subbrands and ranges can be mapped based on the attractiveness of their categories (the vertical axis) and their relative strength (the horizontal axis). The most significant tweak I've made is to expand the definition of the horizontal axis into a broader measure of 'ability to succeed', which goes beyond ability to compete (measured by a combination of brand equity, market share and trajectory) to include its ability to generate satisfaction (measured by how the brand fits with customer expectations):

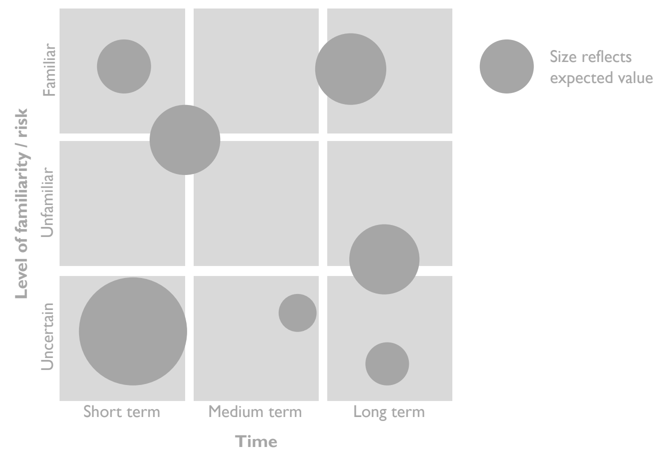


(In my version, I flip the horizontal axis so it runs from 'low' to 'high' as it just makes more sense to me this way)

Brand activity planning

Around 2002, the people at McKinsey evolved the nine-box matrix into a framework they call 'Portfolio of Initiatives', based on the idea that strategy is fundamentally about action. This is probably not the impression most people have of strategy, which is easily dismissed as conceptual or intellectual (or even ineffectual). But intellectual giants rarely make great brand strategists, who are more accurately defined by a love of practicality and a willingness to get their fingernails dirty.

McKinsey's Portfolio of Initiatives involves a lot of heavy analytical lifting: each initiative is mapped based on its level of risk and the time in which it can reasonably be expected to deliver a financial return, as well as being sized by its value potential:



I'm not this patient.

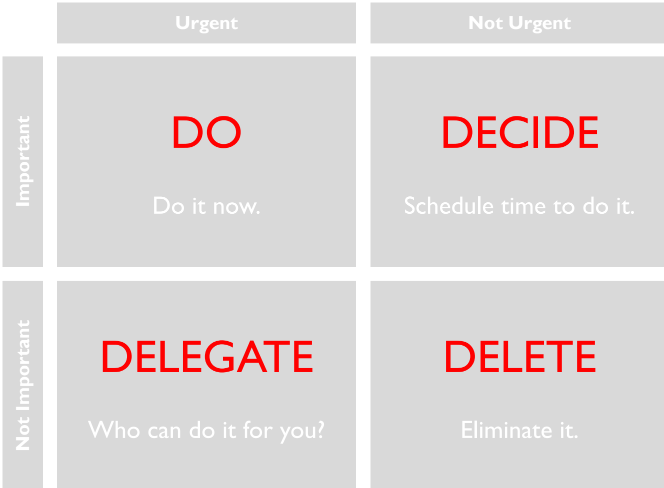
Workstream planning usually happens towards the end of a strategy project (at least in my way of working), so there's typically a desire on everybody's part to crack on and start making change happen. I love the thinking behind the Portfolio of Initiatives but prefer something a little more quick-and-dirty.

And things don't come much quicker and dirtier than the Eisenhower matrix.

This was inspired by a quote that Dwight D. Eisenhower borrowed during a speech he gave at Northwestern University in 1954:

'I have two kinds of problems, the urgent and the important. The urgent are not important, and the important are never urgent.'

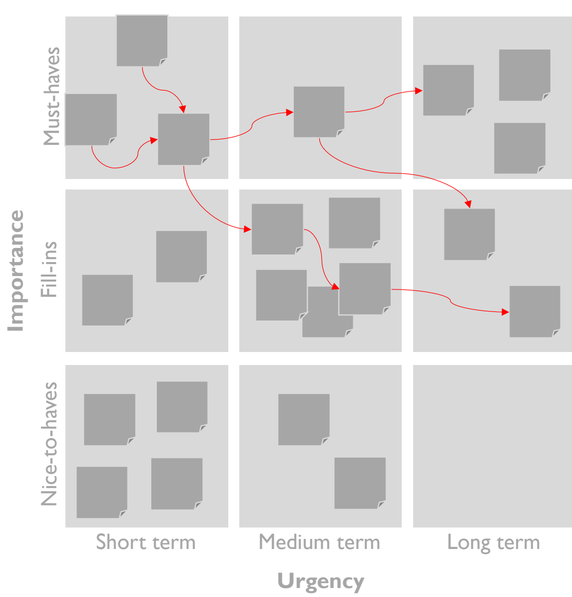
Stephen Covey translated Eisenhower's statement into a simple two-by-two matrix, which has become a wildly popular way for people to prioritise their to-do lists:



The Eisenhower matrix is great, as long as:

a. you have someone to delegate to,
b. the tasks on your list are independent, and
c. you have a small number of important activities to prioritise.

But workstream planning kicks up hundreds of activities for commercial, sales, marketing, insight, innovation, and people teams, as well as creative departments. So, I use a nine-box matrix to make it easier to prioritise these activities, as well as drawing dependencies between them:



Working through dependencies is the fiddly bit. There's little point trying to 'size' the value potential of each activity, since a task that might not be valuable on a standalone basis (for example, 'brief R&D team on portfolio strategy') might be a vital first step in a wider process ('develop new products to fill urgent gap X in our portfolio'). Dependencies should run from left to right and top to bottom, so if you find an arrow pointing up or left, then you know you've mapped something in the wrong place. Once finished, the contents of the matrix can be translated onto a Gantt chart and the real fun can really start.

It's like an Eisenhower matrix… But one louder.